

[DOI: 10.20472/IAC.2015.015.091](https://doi.org/10.20472/IAC.2015.015.091)

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THE COMMERCIALIZATION OF IDEAS AND CUSTOMER'S NEEDS IN THE GEORGIAN MARKET

Abstract:

Generation of ideas is what generally leads to the reation and development of a new product and the concept involves a constant search for new ideas to create something new. In Georgia, at present, bread consumption is much higher than normal. Unfortunately, bread produced in Georgia is mostly made of low quality flour which does not meet the national standards for the share of micronutrients in food (30-40% of the baking market in Georgia does not meet the standards).

Shota Rustaveli National Foundation and Civil Research and Development Foundation co-founded a project _ "From Idea to Market" _ in Georgia. One part of the research was to show that the composition of vitamin and mineral enriched bread on the Georgian market did not meet the requirements. According to the research results, only 24,9% of the bread samples was fortified, which is not enough to minimize or at least, help the deficiency of micro-nutrients in population. The research also involved a solution for the problem, which was the production of cheaper bread "Apipuri". This idea was realized as part of the project "From Idea to Market". Nowadays Bread "Apipuri" is quite popular among the customers. The innovation was very important for Georgia.

Keywords:

Generation of ideas, Baking Business, Innovation.

JEL Classification: L10, L10, L10

Generation of ideas is what generally leads to the reation and development of a new product and the concept involves a constant search for new ideas to create something new. Companies should be interested in generation of multiple ideas and chose the best of them to find real means for their further development.

In Georgia, at present, bread consumption is much higher than normal. The biggest and strongest players on the Georgian baking market are those companies that make bread using the local flour. There is also a growing demand on the bread product which is enriched with vitamins and minerals. Unfortunately, bread produced in Georgia is mostly made of low quality flour which does not meet the national standards for the share of micronutrients in food. (30-40% of the baking market in Georgia does not meet the standards). In Georgia there is no such a thing as a bread standard and bread baking is a company secret of individual etrepreneurs. Bread standard is regulated with the Georgian “Code for the Safety and Free Exchange of Products” [1]. There is, also, a national standard, “bread of wheat flour”, which serves as a guideline for the entrepreneur and the standard of the company should necessarily meet the demands of the standard.

Standardization in Georgia is not obligatory. An entrepreneur can decide among standards and and then produce bread according to it. They are free to choose either regional (local) or European standard and can even create inner standard. However the latter should be in compliance with the norms in the relevant Georgian legislation. When it comes to baking standard, it is the intellectual property of the entrepreneur. The quality and characteristics of the bread which is released on the market totally depends on the company. Nowadays, the chief control of the bread market is in the hands of the customer. They generally go for a cheaper product. Therefore criticism over the quality of the bread is vitally important. There has been no special study concerning the quality of bread in the recent years. Several years ago NGO “Connection 21st century” carried out a research [2] and found that most of the bread product on the Georgian market does not meet the standard requirements.

Despite the fact that the frequency of consumption makes bread quite a unique product, most of the flour used to bake bread in commercial or family bakeries, does not contain enough Fe (iron) (and this is true for all regions of the country). In 2012-2013, Shota Rustaveli National Foundation [3] and Civil Research and Development Foundation (CRDF) co-funded a project _ “From Idea to Market” _ in Georgia. One part of the research was to show that the composition of vitamin and mineral enriched bread on the Georgian market did not meet the requirements. According to the research results, only 24,9% of the bread samples was fortified, which is not enough to minimize or at least, help the deficiency of micro-nutrients in population. The research also involved a solution for the problem, which was the production of cheaper bread “Apipuri”. This idea was realized as part of the project “From Idea to Market”.

The research also involved interviewing customers (about 500 people were interviewed, including young sports people, their parents, coaches, employees of the Ministry of Sport and Youth, professors at the Hygiene Department of the TSMU), which showed that they would gladly buy bread made of ecologically clean bee products. The focus was on children, adults, aged people and sportsmen. The main demand of this part of the market was ecologically clean and natural product. Vitamin and mineral enriched bread Apipuri, which was produced as part of

the project "From Idea to Market", funded by Shota Rustaveli National Foundation (<http://www.rustaveli.org.ge/>) and Civil Research and Development Foundation (CRDF) was analyzed and pre-tested. After that, it was fully produced, licensed, and released. Popularity of "Apipuri" on the Georgian market is growing and by the end of this year it will reach 150 000 pieces per month. Income of the company, Ifkli-1, is also going to grow with about 15%. The chief aim of the project, which was to develop and define the optimum share of the bioactive adjunct in the product in order to make healthier bread for the population (to overcome the deficiency of micro-elements, vitamins and amino-acids) was successfully completed.

Cheap and everyday "Apipuri" bread helps to decrease the risk of illnesses which are widespread due to the deficiency of micro-elements, vitamins and amino-acids. The deficiency of micro nutrients is quite a common problem in most of the population, which results in various sicknesses. The lack of proteins and energetic deficiency (for example, problems with growth) in childhood and adulthood is, according to the WHO, is rather high when compared with the minimum acceptable level of 2.3%. The same happens with the sports people, where the chief problem is acute stress and ways to help it. According to WHO, any problems connected with growth of children is of utmost important and requires immediate attention to the food they consume.

In Georgia, there is a great variety of pastry products. Similar to Ifkli-1, Ltd., other companies that produce enriched bread are "Lithuanian Bakery" Ltd., "Bezeki" Ltd., and "Kolkhi Ltd. Their products are enriched with Fe (iron) and B vitamin complexes. However, the number of such companies is small and does not cover the entire Georgian bread market. Besides, "Apipuri" by Ifkli-1, Ltd., unlike all the above mentioned enriched bread products, contains the richest and greatest complex of vitamins, including: carbohydrate (fructose, glucose), 22 types of Amino acids (Valine, Lysine, Leucine, Glutamine, Cysteine, etc.), vitamins (A, B1, B2, B5, B6, Bc **ac. folici**, C, D, PP, E, K *Phosphotyrosine*) Rutin (a flavonoid to strengthen capillaries), saturated and unsaturated fatty acids and minerals (Ca, Mg, Pp, Fe, Zn, I, Ka, Na, Cu).

Table 1**Competitors of Ifkli-1 Ltd. in Georgia**

Name	bread „Apipuri“	Bread „Bezeki“	Bread “Borodinuli”	„Kvis Puri” (Stone Bread)	Bread with milk powder
company	“Ifkli-1“, Ltd.	“Bezeki” Ltd.	“Lithuanian Bakery” Ltd.	“Kolkhi” Ltd.	
B-complex vitamins: B1, B2	+	+	+	+	+
B vitamins: B5,B6,	+				+
vitamins: Bc (ac. folici), E,	+				
vitamins :Beta carotin, PP	+	+	+		+
vitamins: A, C,D, ,E,K	+				
Minerals: Fe, Ka, Na	+	+	+	+	+
Minerals: Ca, P	+	+			+
Microelements: Mg, Zn, Cu	+				
Microelements: I,	+				
Albumin	+				+
22 types of Amino acids (Valine, Lysine, Leucine, Glutamine, Cysteine, etc.)	+				
Phosphotyrosine, Rutin	+				
Saturated and unsaturated fatty acids	+				
Market price	1 GEL	1,10 GEL	1,1 GEL	0,90 GEL	1,20 GEL

Bread “Apipuri” by Ifkli-1 is quite popular among the customers. The innovation is quite important for Georgia. The development of bioactive adjunct increased the expiry date of the product and enabled the export of the bread in the neighbouring Azerbaijan and Armenia.

Considering all the above said, development of business requires the study of the customer demands and orientation which satisfies and meets these demands. Development of science is increasingly focused on small, medium and large enterprises, on the economic and social motives and future trends of the development of the country.

References:

1. <https://matsne.gov.ge/index.php?option=com>.
2. <http://www.century21.ge>
3. <http://www.rustaveli.org.ge>